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UNITED CALIFORNIA BANK

OAKLAND MAIN OFFICE • FOURTEENTH AND BROADWAY • OAKLAND, CALIFORNIA • 415/271-9000
MAILING ADDRESS: BOX 329 • OAKLAND, CALIFORNIA 94604

RECORDATION NO. **10960** Filed 1425

October 25, 1979 **OCT 29 1979 -3 40 PM 9-302A113**

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th & Constitution Avenue N.W.
Washington, D.C. 20423

Attention: M. Lee
Room 2303

067-23 1979
Date **067-23 1979**
Fee \$ **50.00**
ICE Washington, D. C.

To Whom It May Concern:

Enclosed you will find two notarized copies of a Security Agreement executed between United California Bank and Pacific States Railcar Company.

The Security Agreement covers 100 railroad tank cars owned by Pacific States Railcar Company. The serial numbers of the cars are as follows:

PSBX No. 1100 through 1171, for a total of 72 cars
PSBX No. 1200 through 1227, for a total of 28 cars.

These cars have been pledged to United California Bank as security for a loan transaction. Please record United California Bank's security interest in the cars.

Also enclosed is a cashier's check for \$50 which I believe will cover the filing fee.

If you have any questions, I can be reached at Area Code 415-271-9200.

Sincerely yours,



Lloyd F. Stasiowski
Assistant Vice President

LFS:hl
Enclosure

Interstate Commerce Commission
Washington, D.C. 20423

11/7/79

OFFICE OF THE SECRETARY

Lloyd F. Stasiowski
Assistant Vice Presi.
United Calif. Bank
14th & Broadway P.O. Box 329
Oakland, Calif. 94604

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/29/79 at 3:40pm, and assigned re-recording number(s).

10960

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

10960

OCT 29 1979 -3 40 PM

INTERSTATE COMMERCE COMMISSION

WITNESSETH: That Debtor hereby grants Bank a security interest, pursuant to the California Uniform Commercial Code, in all that certain personal property described in the following schedule(s), to wit:

AND ALSO any and all substitutions therefor, replacements thereof and additions thereto hereafter made or acquired by Debtor; **AND ALSO** all proceeds of insurance policies covering any of said property; **AND ALSO** all proceeds of said property in any form, it being hereby agreed by Debtor that such inclusion herein of proceeds of said property does not imply nor shall it be construed as a power of sale by Debtor or as a consent by Bank to any sale of said property.

~~SAID PERSONAL PROPERTY BEING LOCATED IN THE COUNTY OF XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX STATE OF CALIFORNIA~~

(1) The payment to Bank of:

Note for \$ Seven Hundred Fifty Thousand, dated September 20, 1979, payable at \$29,061.06 monthly beginning November 30, 1979 and bearing interest at U.C.B. Prime Plus 1.25 % per annum payable monthly beginning November 30, 1979 and any and all extensions and/or renewals of said note or any amounts owing thereon.

(2) The repayment of any and all sums and amounts that are necessarily advanced or expended by Bank or assigns for the maintenance or preservation of the property, or any part thereof, described in this Agreement;

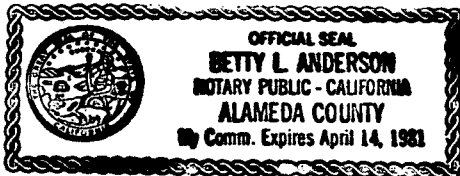
Debtor hereby agrees: To do all acts which may be necessary to maintain, preserve and protect said property and during the continuance hereof to keep said property in good condition and repair, and if worn, damaged or destroyed to at least replace the same by other property of equal value; not to permit any waste thereof: to pay, at least ten (10) days before delinquency, all taxes, charges, assessments and liens now or hereafter levied or imposed upon the property or income and all taxes and license fees imposed upon Debtor's right to do business; not to remove nor permit to be removed any part of said property from the premises where the same is located, as herein stated, without the written consent of Bank, to provide, maintain, and deliver to Bank fire and other insurance policies covering said property in amounts and companies satisfactory to Bank and with loss payable to Bank.

Should this Agreement cover growing crops or crops to be grown, Debtor agrees, in addition to other applicable provisions of this Agreement, to properly cultivate, irrigate, fertilize, fumigate, prune, and/or perform any other act or acts necessary to grow, care for, preserve, and protect said crops in a proper manner and at the proper time which, from the character or use of said property, may be reasonably necessary to protect and preserve the Bank's security, the specific enumerations herein not excluding the general; not to commit or permit any waste of said crops; to keep said crops separate and always capable of identification; to harvest and prepare said crops for market and when the same are ready for market promptly to notify Bank and to deliver

STATE OF CALIFORNIA,

COUNTY OF ALAMEDA

} ss.



ON September 20, 1979,
before me, the undersigned, a Notary Public in and for said State, personally appeared
Frank Salameh, Jr.

_____, known to me,
to be one of the partners of the partnership that executed the within Instrument, and acknowl-
edged to me that such partnership executed the same.

WITNESS my hand and official seal.

Betty L. Anderson
Notary Public in and for said State.

immediately the marketable products to Bank to be by Bank held and/or disposed of at such times and for such prices and on such terms as Bank may deem proper. Debtor agrees to follow Bank's instructions with reference to hauling, shipping, storing, marketing and otherwise preparing, handling and disposing of said crops. The proceeds of sale of any of said crops when received by Bank shall be applied toward the payment of the debts secured hereby, including interest thereon and any advancements or expenditures made or incurred by Bank in handling, selling and/or disposing of such crops, or under any provision of this Agreement, all in such order and manner as Bank may elect, and after full payment thereof any proceeds of said crops remaining shall be paid to Debtor or the person or persons entitled thereto.

If the Debtor fails to make any payment or do any act as herein required, then Bank, but without obligation so to do and without notice to or demand upon Debtor, may make such advancements or expenditures and do such acts as Bank may deem necessary to protect Bank's security, Bank being hereby authorized (without limiting the general nature of the authority hereinbefore conferred) to take possession of said property, to pay, purchase, contest and compromise any encumbrance, charge or lien which in the judgment of Bank appears to be prior or superior to the lien of this Agreement, and as to any crops covered hereby to enter from time to time upon the real property on which such crops may be and to take possession of said crops, or any part thereof, and to take such measures as Bank may deem necessary or proper for the care, growing, harvesting, protection, preservation and marketing of said crops, or any part thereof, and, in exercising any such powers and authority to pay necessary expenses, employ counsel and pay them reasonable fees. Bank's determination as to whether or not Debtor has failed to make any payment or do any act as herein required shall be final and conclusive. Debtor hereby agrees to pay immediately and without demand all sums expended by Bank pursuant to the provisions of this Agreement, with interest from date of expenditure at the rate of ten per cent per annum.

In the event there shall hereafter be a decrease in the value of said property, Debtor agrees to give to Bank further security or make payments on account to Bank in an amount and to the extent sufficient to offset said decrease in value.

If Debtor shall default in the payment of any of the indebtedness, obligations or liabilities secured hereby or shall default in the performance of any agreement herein contained, or if any breach be made of any obligation, promise, declaration or warranty of Debtor herein contained or secured hereby, then Bank at Bank's option, without demand upon or notice to Debtor, may declare all indebtedness, obligations and liabilities secured hereby, and all other sums owing by Debtor to Bank, to be immediately due and payable, and Bank shall have the remedies of a secured party under the California Uniform Commercial Code, including, without limitation, the right to require Debtor to assemble the property and make it available to Bank at a place designated by Bank and to enter upon the premises where said property may be and take possession thereof, and remove and/or sell and/or dispose of said property, or any part thereof, at public or private sale, upon legal notice to Debtor. Said property, or any part thereof, may be sold in one or more lots at one or more sales, which may be held on different days and which need not be held within view of the property being sold. Bank shall deduct and retain from the proceeds of such sale or sales all costs, expenses and charges paid or incurred in the taking, removal, handling and sale of said property, or otherwise incurred in connection therewith, including any reasonable attorney's fees incurred or paid by Bank; the balance of the proceeds shall be applied by Bank upon the indebtedness, obligations and liabilities secured hereby, in such order and manner as Bank may determine, and the surplus, if any, shall be paid to Debtor or to the person or persons lawfully entitled to receive the same. If suit be brought, or any proceedings instituted on this Agreement, there shall be due from Debtor to Bank therein, immediately upon the commencement thereof, a reasonable attorney's fee in said action or proceeding, which sum is hereby secured. In any such action, plaintiff shall be entitled to the appointment of a Receiver, without notice, to take possession of all or any part of said property and to exercise such powers as the Court shall confer. At any sale or sales made under this Agreement, or authorized herein, Bank or any person on behalf of Bank, or any other person may bid for and purchase any property being sold, and, in the event of such purchase, the purchaser shall hold such property thereafter discharged of all right of redemption.

Debtor hereby assigns to Bank all rents, issues, income and profits of or from the property. Debtor further hereby assigns to Bank all sums now or hereafter payable to Debtor as the proceeds of sale of any crops covered hereby, or any part thereof, and any and all sums now or hereafter payable to Debtor under the terms of any agreement for the sale and/or marketing of said crops, or any part thereof; provided, however, that nothing in this paragraph contained shall be construed to waive or in any way affect the lien of this Agreement or the limitations hereinabove expressed, upon the Debtor's right to deal with said crops without Bank's written consent. Debtor also hereby assigns and transfers to Bank all moneys now in or hereafter placed in any revolving funds or other funds of any marketing association or organization, corporation, firm or individual now or hereafter or heretofore handling or having to do with any crops now growing or heretofore or hereafter grown on any lands described in this Agreement or connected with the growing, marketing, farming, or other handling of such crops and the Debtor also hereby assigns and transfers to Bank all stock and all other interests, benefits, and rights of Debtor in any such association, marketing organization, corporation, firm or individual having anything to do with said crops and all moneys due and/or hereafter becoming due to Debtor from any of them.

The term "and/or" as used herein means one or the other or both, or any one or all, of the things or persons in connection with which the words are used.

The right to plead any and all statutes of limitations as a defense to any demand secured by this Agreement is hereby waived to the full extent and longest period allowed by law.

Any person who joins in executing this Agreement and any note or other Agreement to repay the obligation secured hereby agrees and expressly assents to the liability of all separate property for the obligations secured hereby. Any person who joins in executing this Agreement and who is not otherwise liable for repayment of the obligations secured hereby agrees only to those provisions of this Agreement which relate to the grant of the security interest in the property described herein and does not assume, by execution of this Agreement alone, additional liability for repayment of the indebtedness secured hereby.

The words "Debtor" and "Bank", as used herein, shall be construed to include the heirs, legatees, devisees, administrators, executors, successors and assigns of Debtor and Bank. This Agreement shall bind and inure to the benefit of said third persons. If there be more than one Debtor, it is agreed that the provisions of this Agreement in reference to Debtor shall be construed to apply jointly and severally to each of the debtors except as otherwise provided in the preceding paragraph.

IN WITNESS WHEREOF, Debtor has executed this Agreement on the day and year first above written.



Pacific States Railcar Company
Frank Salamid, Jr.
Managing Partner

SCHEDULE I

PACIFIC STATES RAILCAR COMPANY

PSBX No. 1100

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